



Kimberley Process Certification Scheme Secretariat - Namibia

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PRESS RELEASE

CLARIFICATION ON REPORTS STATING THAT "SEMI-CUT" DIAMONDS WOULD FALL OUTSIDE THE KIMBERLEY PROCESS CERTIFICATION SCHEME

Windhoek, 30 November 2009.

As response to recent reports in the media on how the Kimberley Process Certification Scheme (KPCS) could be circumvented by cutting and polishing a single facet to rough diamonds, the Kimberley Process would like to emphasize that these remarks are substantively incorrect.

It is incorrect that semi-cut diamonds fall outside the scope of the KPCS.

Indeed, the mentioned reports refer to a situation that existed until 2004. However, since that date, in order to close possible loopholes (such as the one alluded to in the reports), the definition of rough diamonds has been modified by the World Customs Organisation (WCO) upon suggestion by the Kimberley Process. Semi-cut diamonds are classified in tariff provisions of the Harmonised Commodity Description and Coding System (HS-System) which fall squarely within the scope of the KPCS's definition of "rough diamonds" and, consequently, semi-cut diamonds remain subject to the requirements of the KPCS.

Polishing a single or a few small facets will not transform rough diamonds into polished diamonds and make these "fall off the KPCS' radar" as was reported in the media. Rather, semi-cut diamonds are regarded as rough diamonds and their import or export remains subject to the requirements of the KPCS.

In case of uncertainty, information on what constitutes a rough diamond is included in the Explanatory Notes to the HS-Coding System (Heading 7102) available at the WCO or at your local customs agency, the local Kimberley Process Authority or the KP Working Group of Diamond Experts.

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Background

The Kimberley Process started when Southern African diamond-producing states met in Kimberley, South Africa, in May 2000, to discuss ways to stop the trade in 'conflict diamonds' and ensure that diamond purchases were not funding violence.

In December 2000, the United Nations General Assembly adopted a landmark resolution supporting the creation of an international certification scheme for rough diamonds. By November 2002, negotiations between governments, the international diamond industry and civil society organisations resulted in the creation of the Kimberley Process Certification Scheme (KPCS). The KPCS document sets out the requirements for controlling rough diamond production and trade. The KPCS entered into force in 2003, when participating countries started to implement its rules.

The Kimberley Process Certification Scheme now has 49 Participants (equalling 75 countries with the European Community counting as a single Participant), including all major diamond producing, trading and polishing centres, and counts on the active participation of civil society and industry groups.

The Kimberley Process Certification Scheme (KPCS) imposes extensive requirements on its members to enable them to certify shipments of rough diamonds as 'conflict-free' and prevent conflict diamonds from entering the legitimate trade. Under the terms of the KPCS, participating states must meet 'minimum requirements' and must put in place national legislation and institutions; export, import and internal controls; and also commit to transparency and the exchange of statistical data. Participants can only legally trade with other participants who have also met the minimum requirements of the scheme, and international shipments of rough diamonds must be accompanied by a KP certificate guaranteeing that they are conflict-free.

KP participating countries and industry and civil society observers gather twice a year at intersessional and plenary meetings, as well as in working groups and committees that meet on a regular basis. Implementation is monitored through 'review visits' and annual reports as well as by regular exchange and analysis of statistical data.

